

TESTIMONY OF  
BRET FACTORA  
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EVERSOURCE ENERGY  
Before the Energy & Technology Committee  
February 26, 2019

RE: S.B. 889, AN ACT CONCERNING THE PUBLIC UTILITIES REGULATORY AUTHORITY'S  
INVESTIGATION OF LOST AND UNACCOUNTED FOR GAS.

My name is Bret Factora and I am Manager for Gas GIS/Records for Eversource Energy. I am offering Eversource's testimony on S.B. 889 that has been raised for public hearing.

Eversource transmits and delivers electricity to 1.2 million customers in 149 cities and towns, and provides natural gas to 222,000 customers in 72 communities in Connecticut. Eversource harnesses the commitment of its approximately 8,000 employees across three states to build a single, united company around the mission of delivering reliable energy while providing superior customer service. Eversource's affiliate, Yankee Gas Services Company d/b/a Eversource Energy, safely and reliably delivers natural gas service to Connecticut customers.

S.B. 889 proposes to reduce from 3% to 1.5% the threshold for the Connecticut Public Utilities Regulatory Authority ("PURA") to initiate a mandatory investigation, but also limit the threshold to the leaked gas component of the Lost and Unaccounted for ("LAUF") natural gas.

Although Eversource supports the important goal of reducing methane emissions, S.B. 889 must be clarified to eliminate ambiguity and ensure that the Bill requires PURA to initiate a proceeding when the leaked gas component of LAUF exceeds the total *the total throughput of* natural gas. "Throughput" means the total annual volume of natural gas delivered through a local distribution company's ("LDC's") system. The following factors demonstrate that S.B. should measure the leaked gas component of total throughput, not of LAUF, because leaks are only one component of LAUF gas:

- First, PURA's July 20, 2018 report to the General Assembly on LAUF concluded that "... LAUF gas is not a precise measure of actual methane emissions from the gas distribution system. While it is very difficult to accurately measure or estimate the actual amount of LAUF gas attributed to leaks from a distribution system, the data indicates that leaks are generally a de minimis component of LAUF gas."<sup>1</sup>
- Second, PURA concluded that "LAUF gas generally results from circumstances outside the control of the LDCs, including measurement inaccuracy, accounting differences, theft, venting, and damage to plant."<sup>2</sup>

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<sup>1</sup> PURA Docket No. 18-03-28, 2018 Pura Report To The General Assembly Concerning Lost And Unaccounted For Gas, dated July 20, 2018 ("July 20, 2018 PURA Report") at Page 2. Copy available at: <http://www.dpuc.state.ct.us/FINALDEC.NSF/0d1e102026cb64d98525644800691cfe/2b6eb54d6469ea7f852582d3005bd0c6?OpenDocument&Highlight=0,18-03-28>

<sup>2</sup> *Id.*

- Finally, the United States Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (“PHMSA”) concluded that “LAUF gas is not a valid proxy for either unknown leak volume or methane emissions.”<sup>3</sup>

For these reasons, Eversource recommends that the following text of S.B. 889 be clarified as follows:

S.B. 889 proposes to amend Connecticut General Statute Section 16-34a to require the Public Utilities Regulatory Authority to “initiate a docket to investigate the lost and unaccounted for gas of a gas company if the percentage of the leaked gas component of the lost and unaccounted for gas of such gas company in any year exceeds a total of one and one-half per cent **of the total throughput.**”

Eversource looks forward to collaborating with this Committee, PURA and other stakeholders to clarify this Bill.

In addition, Eversource uses this opportunity to also point out that the most effective and proven method of achieving leak reductions is to continue each of Connecticut’s three LDCs’ aggressive, *ongoing* programs to proactively repair and replace leak prone natural gas distribution infrastructure under the careful oversight of PURA. Repairing and replacing old equipment is the most effective means of achieving Connecticut’s goal of reducing methane emissions. PURA is a recognized leader in both New England and nationally for its proactive and safety-focused pipeline replacement programs for our State’s three LDCs. PURA’s July 20, 2018 report to the General Assembly on LAUF recommended “that leaks are primarily the result of aging infrastructure including cast iron and bare steel pipes, which are best addressed through systematic pipe replacement programs.”<sup>4</sup>

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<sup>3</sup> PHMSA Report entitled “Gas Distribution: Lost and Unaccounted for Natural Gas”, Page 3 of 5, dated 3/9/201, which was filed by Howard W. McMillan of PHMSA via correspondence dated May 16, 2017 to the Honorable Bill Nelson, Ranking Member of the U.S. Committee on Commerce, Science and Technology.

<sup>4</sup> July 20, 2018 PURA Report, see footnote 1 above, at 5.